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## City of Burlington, VT- Burlington International Airport

Overview of Series 2012 Financing

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## Summary of Bonds to be Refunded



- The Series 2012 financings will refund certain outstanding debt that produces debt service savings, as well as fix out the \$12 million BAN maturing on December 15, 2012

Series	Tax Status	Amount to be refunded	Maturities	Call Date/Call Price
Series 1997A	Non-AMT	\$4,435,000	2013 - 2017	Currently @ par
Series 1997B	AMT	\$2,695,000	2013 - 2017	Currently @ par
Series 2000	AMT	\$5,575,000	2013 - 2020	Currently @ par
	Subtotal	<b>\$12,705,000</b>		
BAN	Non-AMT	\$12,000,000	12/15/2012	Currently @ par
	Total	<b>\$24,705,000</b>		

Series 1997A and 1997B reflect term bonds due 2017. Their maturities represent sinking funds

## Estimated Series 2012 Sources and Uses



- The Series 2012 financings will likely consist of three separate series:
  - Series 2012A (Non-AMT)
    - Refund Series 1997A
    - Fix out BAN maturing on December 15, 2012
  - Series 2012B (AMT)
    - Refund Series 1997B and Series 2000
  - Series 2012C (Taxable)
    - Fund a certain portion of the costs of issuance

Sources	Non-AMT Refunding	Non-AMT BAN Takout	AMT Refunding	Taxable Equity	Total
Par	\$4,500,000	\$14,655,000	\$7,945,000	\$400,000	\$27,500,000
Premium/(OID)	2,897	(348,148)	63,723		(\$281,528)
Equity Contribution	58,708	193,677	103,245		\$355,631
Bond Funds	101,414		200,570		\$301,984
Series 1997B DSRF Release			269,500		\$269,500
Series 2000 DSRF Release			902,304		\$902,304
Series 1997A DSRF Release	443,500				\$443,500
BAN DSRF Release		390,000			\$390,000
	<b>\$5,106,519</b>	<b>\$14,890,530</b>	<b>\$9,484,342</b>	<b>\$400,000</b>	<b>\$29,881,391</b>

Uses	Non-AMT Refunding	Non-AMT BAN Takout	AMT Refunding	Taxable Equity	Total
Refinance BANs		\$13,147,562			\$13,147,562
Escrow Cost	4,556,811		8,510,943		\$13,067,754
DSRF	397,019	1,261,430	706,126	35,268	\$2,399,844
Cost of Issuance	58,766	186,715	104,519		\$350,000
UW Discount	90,000	293,100	158,900	8,000	\$550,000
Fund Equity				355,631	\$355,631
Rounding Amount	3,923	1,723	3,853	1,102	\$10,601
	<b>\$5,106,519</b>	<b>\$14,890,530</b>	<b>\$9,484,342</b>	<b>\$400,000</b>	<b>\$29,881,391</b>

DSRF Releases and bond fund amounts are estimates and need to be confirmed  
 COI and UWD are estimates and need to be confirmed

## Estimated Amortization Schedule



- The Series 2012 bonds will be structured to amortize the most expensive debt first and the least expensive debt last
  - Series 2012C (Taxable) amortizes in 2013
  - Series 2012B (AMT) amortizes from 2013 through 2018
  - Series 2012A (Non-AMT) amortizes from 2018 through 2028

Series 2012					
Date	Taxable Equity Principal	AMT Refunding Principal	Non-AMT Refunding Principal	Non-AMT BAN Takeout Principal	Total Principal
07/01/13	400,000.00	1,070,000.00	-	-	1,470,000.00
07/01/14	-	1,330,000.00	-	-	1,330,000.00
07/01/15	-	1,370,000.00	-	-	1,370,000.00
07/01/16	-	1,395,000.00	-	-	1,395,000.00
07/01/17	-	1,450,000.00	-	-	1,450,000.00
07/01/18	-	1,330,000.00	180,000.00	-	1,510,000.00
07/01/19	-	-	1,570,000.00	-	1,570,000.00
07/01/20	-	-	1,630,000.00	-	1,630,000.00
07/01/21	-	-	1,120,000.00	580,000.00	1,700,000.00
07/01/22	-	-	-	1,770,000.00	1,770,000.00
07/01/23	-	-	-	1,835,000.00	1,835,000.00
07/01/24	-	-	-	1,920,000.00	1,920,000.00
07/01/25	-	-	-	2,000,000.00	2,000,000.00
07/01/26	-	-	-	2,085,000.00	2,085,000.00
07/01/27	-	-	-	2,185,000.00	2,185,000.00
07/01/28	-	-	-	2,280,000.00	2,280,000.00
	<b>\$400,000</b>	<b>\$7,945,000</b>	<b>\$4,500,000</b>	<b>\$14,655,000</b>	<b>\$27,500,000</b>



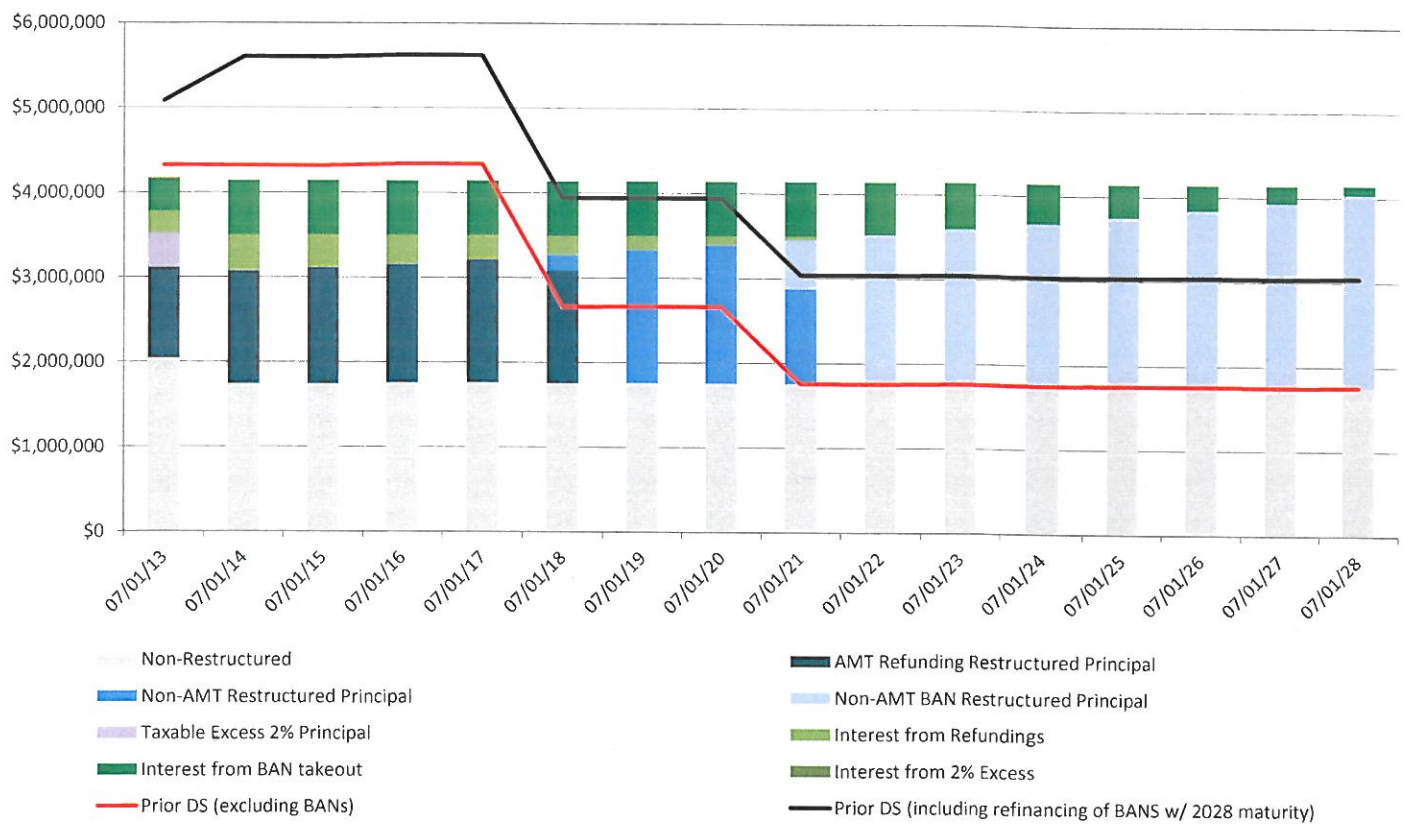
## Savings Summary



AMT Refunding					Non-AMT Refunding					Total	
Date	Prior DS	Refunding DS	Savings	PV Savings	Date	Prior DS	Refunding DS	Savings	PV Savings	Savings	PV Savings
07/01/13	1,335,622	1,229,395	106,227	103,154	07/01/13	941,946	106,500	835,446	813,868	941,674	917,022
07/01/14	1,535,823	1,578,000	(42,178)	(37,463)	07/01/14	1,038,840	180,000	858,840	801,422	816,663	763,959
07/01/15	1,531,393	1,578,100	(46,708)	(40,150)	07/01/15	1,042,080	180,000	862,080	769,613	815,373	729,463
07/01/16	1,537,830	1,562,000	(24,170)	(19,427)	07/01/16	1,042,520	180,000	862,520	736,639	838,350	717,211
07/01/17	1,534,855	1,561,200	(26,345)	(20,532)	07/01/17	1,040,160	180,000	860,160	702,761	833,815	682,229
07/01/18	902,755	1,383,200	(480,445)	(375,543)	07/01/18		360,000	(360,000)	(283,565)	(840,445)	(659,109)
07/01/19	901,700		901,700	677,017	07/01/19		1,742,800	(1,742,800)	(1,308,337)	(841,100)	(631,320)
07/01/20	902,700		902,700	648,420	07/01/20		1,740,000	(1,740,000)	(1,249,929)	(837,300)	(601,509)
07/01/21					07/01/21		1,164,800	(1,164,800)	(800,765)	(1,164,800)	(800,765)
	<b>\$10,182,677</b>	<b>\$8,891,895</b>	<b>\$1,290,782</b>	<b>\$935,474</b>		<b>\$5,105,546</b>	<b>\$5,834,100</b>	<b>(\$728,554)</b>	<b>\$181,706</b>	<b>\$562,229</b>	<b>\$1,117,181</b>
PV of savings from cash flow				935,474	PV of savings from cash flow				181,706		
Less: Prior funds on hand				(1,275,049)	Less: Prior funds on hand				(502,208)		
Plus: Refunding funds on hand				709,980	Plus: Refunding funds on hand				400,942		
Net PV Savings, \$				370,405	Net PV Savings, \$				80,440	Total Net PV, \$	450,845
Net PV Savings, %				4.48%	Net PV Savings, %				1.81%	Total Net PV, %	3.55%
<b>Bonds Refunded</b>			<b>Amount</b>	<b>Maturities</b>	<b>Bonds Refunded</b>			<b>Amount</b>	<b>Maturities</b>		
1997B			2,695,000	2017	1997A			4,435,000	2017		
2000			5,575,000	2014-2020				<b>\$4,435,000</b>			
			<b>\$8,270,000</b>								

Rates as of August 20, 2012  
Savings present valued at the arbitrage yield

## Aggregate Outstanding DS After 2012 Financings



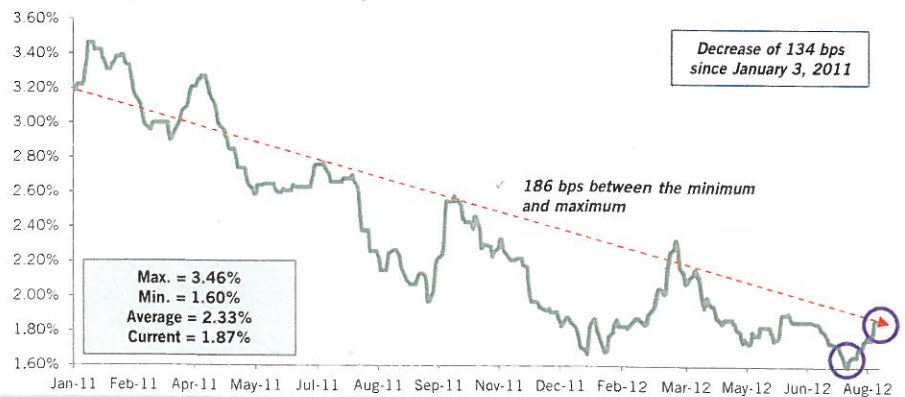
It remains an opportune time to borrow given low absolute rates



#### Key Points

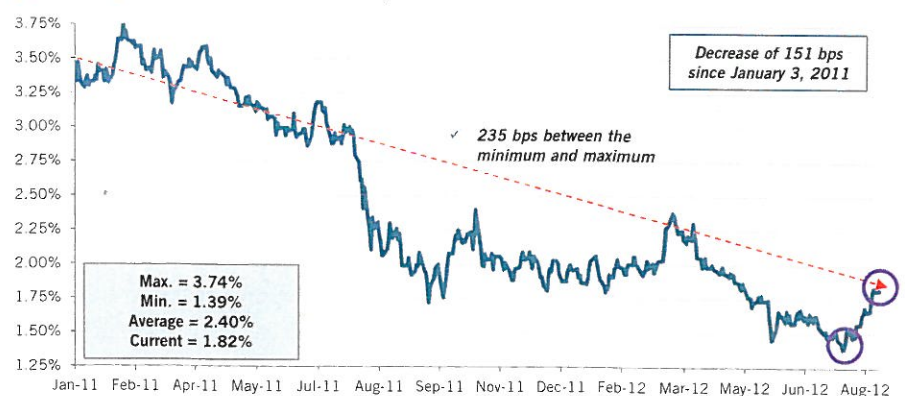
- Significant decrease in long-term rates since the beginning of 2011
- Current 10-year UST of 1.82% is 5 bps below 10-year MMD of 1.87%
- Over the last month, 10-year tax-exempt rates have risen 27 basis points and 10-year taxable rates have risen as much as 43 basis points

#### 10-Year Benchmark Tax-Exempt Rates



Rates have risen 27 basis points since July 26th

#### 10-Year Benchmark Taxable Rates



Rates have risen 43 basis points since July 24th

Rates as of August 20, 2012